

## **Minutes of the Finance Committee**

**Wednesday, July 13, 2005**

Chair Haukohl called the meeting to order at 8:47 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Jim Behrend, Joe Marchese, Bonnie Morris, Don Broesch, and Ken Herro. Herro left the meeting at 10:00 a.m. and returned at 11:33 a.m.

**Absent:** Genia Bruce.

**Also Present:** Legislative Policy Advisor Mark Mader, Chief of Staff Lee Esler, Business Manager Betsy Crosswaite, City Transit Director Bob Johnson, Waukesha Metro Transit Planning & Administration Director Andrew Johnson, Budget Specialist Linda Witkowski, Principal Financial Projects Analyst Cindy Schramm, Accounting Services Manager Larry Dahl, Principal Financial Projects Analyst Bob Ries, Senior Civil Engineer Karen Braun, Engineering Services Manager Gary Evans, Deputy Inspector Steve Marks, Sheriff's Business Manager Tom Koth, Land Information Systems Coordinator Don Dittmar, and Administration Director Norm Cummings. Recorded by Mary Pedersen, Legislative Associate, County Board Office.

### **Approve Minutes of 6-22-05**

MOTION: Marchese moved, second by Behrend to approve the minutes of June 22<sup>nd</sup>. Motion carried 6-0.

### **Schedule Next Finance Committee Meeting Dates**

Haukohl said the next committee meeting, scheduled for August 3<sup>rd</sup>, would likely go into the afternoon. Haukohl announced the October 20<sup>th</sup> committee meeting has been rescheduled to October 14<sup>th</sup>. Behrend announced he would not be able to attend the September 7<sup>th</sup> meeting.

### **Review Correspondence**

Administration Department staff provided a summary of County expenditures for the Ted Oswald re-trial. The preliminary total net County cost as of June 30, 2005 was \$164,371. Copies of the Finance Committee's budget review schedule for October were distributed.

### **Chair's Executive Committee Report of 7-11-05**

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Approved as amended, ordinance 160-O-028 entitled "Amend Chapter 14 of the Waukesha County Code Relating to the Department of Parks and Land Use Environmental Health Division."
- Reviewed the internal audit report on the County's two ice arenas.
- Reviewed the scope of the next internal audit: contracted services of the Health & Human Services Department.
- Legislative Policy Advisor Dave Krahn gave a status update on some of the more significant legislation at the state level. The committee voted on select issues and approved a veto / save list which will be sent to the Governor.
- Discussed the County's vehicle use policy currently being refined.

### **Report on Transit Routes and Contract with City of Waukesha**

B. Johnson, A. Johnson, and Crosswaite were present to discuss this issue as outlined in B. Johnson's handout entitled "Waukesha County Transportation, Summary Financial Information: May 2005 Year-to-Date" and "Waukesha Metro Transit – Waukesha County Transit System Operating Efficiency Statistics." Information included operating revenues and assistance, operating expenses, and total passengers per route. B. Johnson said fare box revenues are quite a bit under budget and operating expenses are also under budget. He noted they receive operating assistance from the Federal Transit Administration, State of Wisconsin, WETAP Grants, CMAQ Grants, and Waukesha County.

B. Johnson advised that the State has reduced their portion of operating assistance from 60% to 58.8% which resulted in a \$50,000 hole in their budget. To cover the loss, fares were increased on all routes beginning in July. They also made some service cuts including the elimination of Route 106, an industrial shuttle in Menomonee Falls that experienced low ridership resulting in high operating costs. Two public hearings were held prior to elimination and one letter was received in opposition and that was from the employer of the five riders. Esler said the County Board did not receive notification of the public hearings. B. Johnson indicated the County Board Office is on their distribution list along with the County Executive's Office and the Public Works Department. Crosswaite noted that they received a copy. B. Johnson said they will be taking a closer look at Menomonee Falls and some other areas next year with regards to what kinds of transit services should be provided in those communities.

B. Johnson discussed revenue problems with Route 901 (Waukesha / Milwaukee Wisconsin Coachlines). It falls below the 10-passengers-per-vehicle standard and he is in the process of rewriting the schedule, in cooperation with Wisconsin Coachlines, hoping to resolve some of the ridership / revenue problems. B. Johnson said they have made marketing changes including new formats for the bus schedules and projects are in the works which include a new county map detailing all the bus routes.

B. Johnson said Milwaukee, Racine, and Kenosha counties are forming an RTA (Regional Transit Authority) as part of the state budget bill. Initially, this was due to the commuter rail project. However, all three counties are also interested in funding their transit services under this RTA. He noted this will affect us, especially in terms of how federal funds are distributed. He said we need to stay involved in this situation and staff will be talking with the County Executive as well.

B. Johnson said they are currently on orange alert due to last week's bombings in London. Transit staff are trained and vigilant with regards to bus security issues.

He noted that a recent federal audit on the administration of the bus system came up with only two very minor findings which involved some vendor contract language which can be easily changed.

### **Ordinance 160-O-027: Sale of Excess Right of Way, Parcel 2 CTH L Janesville Road**

Braun and Evans were present to discuss this issue as outlined in the ordinance. Braun distributed a map and information on the parcel which consists of about one-third of an acre. Braun said this property is a remnant resulting from the reconstruction of County Highway L (Janesville Road). Braun said they plan on asking about \$85,000 but it's possible the actual

purchase price could exceed that amount based on what a similar remnant across the street recently sold for.

MOTION: Behrend moved, second by Morris to approve ordinance 160-O-027. Motion carried 6-0.

Herro left the meeting at 10:00 a.m.

### **Overview of the Comprehensive Annual Financial Report (CAFR)**

Dahl, Reis, and Schramm were present to give an overview of the CAFR report for the year ending 2004 as outlined which included information on financial trends, revenue capacity, debt capacity, demographic and economic statistics, and operating information.

### **Increase Petty Cash Fund – Sheriff’s Metro Drug Unit**

Koth and Marks discussed this issue as outlined in the memo to the Finance Committee which involves requesting authority to increase the Metro Drug Unit’s petty cash fund by \$5,000. Currently, the petty cash fund is kept at \$20,000. The Metro Drug Unit has been placing increased emphasis on investigation and arrest of higher-level narcotics dealers. As a result, the cost of individual drug deals have increased. Due to the highly fluid nature of these transactions, sufficient cash reserves are needed to make the purchases. Koth said the funds are carefully locked up and only a limited number of individuals are allowed access.

MOTION: Broesch moved, second by Behrend to approve the petty cash fund increase in the Sheriff’s Metro Drug Unit to \$25,000. Motion carried 5-0.

### **Ordinance 160-O-029: Amend Sheriff’s Department 2005 Budget Expenditure of Office of National Drug Control Policy Cooperative Agreement Funds**

Marks said this ordinance involves accepting \$56,049 in Milwaukee High Intensity Drug Trafficking Area (HIDTA) federal funding which includes Waukesha County. The department plans to use these funds for personnel and operating expenditures to enhance drug investigation efforts as required by HIDTA guidelines. This includes 245 hours of deputy overtime (\$20,860), two vehicle leases (\$13,068), various equipment (\$12,118), and special investigation supplies (\$10,000). The grant does not require any matching funds.

MOTION: Behrend moved, second by Broesch to approve ordinance 160-O-029. Motion carried 5-0.

### **Ordinance 160-O-030: Amend 2005 Sheriff’s Department Budget Expenditure of Seized Funds, June 2005**

Currently, the Sheriff’s Department has reserved but undesignated federal asset forfeiture seized funds available totaling \$150,325 as of June 1, 2005. Marks said the department is requesting to use \$4,200 for travel and training costs associated with having two deputies trained through the Law Enforcement Fitness Instructor Program to be in-house fitness instructors to lead a new voluntary fitness program proposed by the Sheriff. They are also requesting the use of \$4,000 for travel costs associated with sending a lieutenant from the Metro squad to Russia to observe drug investigations and seizure methods used by the Russian Police Department. This is follow-up to a visit by Russian officials in 2004 who visited Waukesha to observe policing techniques and procedures.

In addition, Marks said they were informed five days ago that the State Supreme Court has mandated that all law enforcement officers record juvenile's statements effective immediately. After a lengthy discussion it was determined that an amendment, supported by the Finance Committee, would be brought up on the County Board floor asking that the ordinance be amended to use about \$4,000 in seized funds for additional recording equipment.

MOTION: Broesch moved, second by Morris to approve ordinance 160-O-030. Motion carried 5-0.

**Ordinance 160-O-026: Appropriate Fund Balance to Fund a Land Information Division Conversion Computer Program**

Dittmar discussed this issue as outlined which involves appropriating \$40,000 from the Land Information System Fund balance for the purpose of acquiring software to convert the City of Waukesha's tax parcel information into a format that can be imported into the County system. Dittmar said this software program may also assist the Parks & Land Use Department in future acquisition and processing of digitally prepared land division plats. The fund currently has approximately \$940,000 available in uncommitted fund balance.

MOTION: Broesch moved, second by Behrend to approve ordinance 160-O-026. Motion carried 5-0.

**Ordinance 160-O-025: Suspend Allocation of Interest Income to the Materials Recycling Facility (MRF) Fund**

Cummings said this ordinance would allow the County to suspend interest allocation to the MRF. This money, totaling \$290,000, will still be invested but will go to general operations in the Treasurer's budget. Cummings gave a history on this issue and said investment income on MRF cash balances was allocated to provide for funding shortfalls for operations, capital investment, and recycled material market development. The MRF has been so successful that the current MRF cash balance is more than sufficient to continue operations without charging a tipping fee to the 25 charter municipalities. Cummings credited the Parks & Land Use Department for good management of the facility. The current MRF cash balance is sufficient for the foreseeable future to continue a \$650,000 dividend payment to charter municipalities for the purpose of defraying part of local recyclable collection costs.

Herro arrived at 11:33 a.m.

Cummings noted there's no reason to allow these funds to build up. Effective beginning the second quarter of 2005, interest income will be suspended until such time that the State Recycling grant is eliminated or when projections indicate that at least three years of dividend payments to the 25 charter municipalities cannot be sustained. In future years, the increase in General fund interest income will reduce the tax levy needed to fund General fund budgeted expenditures. Cummings said he was concerned that the \$9.6 million MRF fund balance was still too high whereby he went on to discuss possible future uses for excess funds.

MOTION: Morris moved, second by Marchese to approve ordinance 160-O-025. Motion carried 5-0.

### **Legislative Update**

Krahn distributed copies of “2005 State Legislation – Finance Committee – 7.13.05” and “Veto / Save List – 2005-2007 State Budget” which he discussed in detail as outlined. Issues on the veto / save list include the Zoo Interchange, UW-Waukesha, Probate copy fees, AODA Programming, the shared revenue formula, levy limits, recycling, juvenile correction institution rates and revenues, etc. Krahn advised the final budget bill should be available in about three weeks.

### **Report by Supervisor Broesch on County Executive Finley’s June 9<sup>th</sup> Budget Kickoff Meeting**

Broesch distributed copies of the June 9<sup>th</sup> handout entitled “2006 Annual Budget Kickoff Meeting” which included information on 2006 tax levy assumptions, 2006 department tax levy targets, changes to the 2006 budget book, key dates for the 2006 budget, and the 2006 capital budget executive review schedule. Broesch said Chief of Staff Allison Bussler spoke on the strategic planning process and County Executive Dan Finley spoke on the budget with Budget Manager Keith Swartz and Administration Director Norm Cummings. Budget drivers for the 2006 budget include jail expansion, energy costs, courthouse security, frozen or reduced state funding, health insurance, etc.

The 2006 cost for jail expansion is expected to be around \$1.4 million. Regarding frozen or reduced state funding, Broesch said services would be reduced accordingly. Cummings was very emphatic when he said no County tax levy would be used to replace state funding reductions. Two major items in the area of personnel include employee health insurance which is expected to increase around 7% next year and protective pensions which are expected to increase about 5%. Staff will be watching carefully the District Attorney’s Victim / Witness Program. There will be a reduction in tax levy for UW-Extension. There will be more room for explaining performance measures in the budget book. Finley did comment that 2006 is the last challenging year, basically because of jail construction and staffing. He said 2007 will be easier.

### **Announcements**

Marchese said the bridge crane for vehicle maintenance at the Highway Shop was still not up and running. He also commented on the auction of used county vehicles.

### **Future Agenda Items**

- During 2006 Budget Discussion: Mental Health Center Days of Care, CAFR Statistics for 2004 versus 2003, pg. 154 of the CAFR Report
- Herro to Report on Strategic Planning

MOTION: Herro moved, second by Broesch to adjourn at 12:16 p.m. Motion carried 6-0.

Respectfully submitted,

Bonnie J. Morris  
Secretary